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**Consultation on the implementation of the CMA's Whole of Market recommendation**

Response prepared by GoCompare  
May 2018

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**About GoCompare**

GoCompare is a comparison website that enables people to compare the costs and features of a wide variety of insurance policies, financial products and energy tariffs.

GoCompare attracts approximately five million visits every month and is designed to help people save time and money. When GoCompare launched in 2006 it disrupted the insurance market as the first comparison website to display policy details rather than just listing prices. Our goal was then, and still is now, to help people make better-informed buying decisions.

We do not charge people to use our services, and we do not accept advertising or sponsored listings, so all product comparisons are unbiased. We make money through fees paid by the providers of products that appear on our various comparison services when a customer buys through our site.

GoCompare is the only comparison website to be invited to join the British Insurance Brokers' Association (BIBA) and is authorised and regulated by the Financial Conduct Authority (FCA).

For energy comparison GoCompare currently partners with a third party provider, Runpath.

While GoCompare cannot currently be directly accredited under Ofgem's Confidence Code, in part due to the fact that we provide our domestic energy comparison service through a partnership with a third party, that third party, Runpath, is fully Confidence Code accredited. We are confident that our customers do and will continue to receive a fair, unbiased and effective service when they use our website.

For more information visit [www.gocompare.com](http://www.gocompare.com) and [www.gocomparegroup.com](http://www.gocomparegroup.com)

## Consultation response

### Executive summary

GoCompare supports the proposed change as a means to increasing switching rates and incentivising Price Comparison Websites (PCWs) to negotiate exclusive deals for their customers. We suggest that the Citizens' Advice Comparison Tool (CACT) may not prove more effective for consumers than the Whole of Market (WOM) view, but appreciate that this should be assessed more thoroughly once implemented. Fundamentally, GoCompare supports Ofgem's efforts to make switching easier and help PCWs fulfil more successful switches, and suggests in this response other areas that Ofgem could consider taking action in to further meet these aims.

### Detail

In August 2015, in response to the Competition and Markets Authority (CMA) Provisional Findings Report and Notice of Possible Remedies, GoCompare said the following on WOM:

"We also note the suggestion that the requirement for Ofgem-accredited PCWs to show a 'whole of market' view could cease if the four-tariff rule is removed. Ofgem-accredited sites already have to make a 'whole of market' view available to consumers, but the definition of 'whole of market' is one that is worth clarifying, as currently collective tariffs, for example, don't have to appear on all PCWs, even if the 'whole of market' view is chosen. Likewise, the 'whole of market' view doesn't show consumers just the tariffs that they are eligible for, but can result in them being shown lots of additional tariffs that they may not be able to apply to through any channel."<sup>1</sup>

The company strongly supports Ofgem's minded proposal to allow PCWs the option of exclusively showing deals that consumers can switch to directly through the PCW.

GoCompare has never seen the value of the WOM view. The company is dedicated to helping people choose the most appropriate products rather than just the cheapest and, importantly, switch quickly and easily to a tariff that they prefer to their existing deal. Being required to show tariffs which, beyond the price, we may not have further information on, is not compatible with this aim. Equally, we believe that providing consumers with unfulfillable tariffs (i.e. tariffs that can be seen but not signed up to via our service) is a barrier to switching, as having to re-enter details on another platform can cause frustration and, in some cases, halt the switch. Even for switching experts, assessing all of the tariffs displayed on a WOM view would represent a large time commitment, which wouldn't necessarily deliver more benefit. For the average consumer, the return on investment of their time wouldn't be borne out in increased savings or more appropriate tariff conditions.

GoCompare has always been concerned that the WOM view allows suppliers free access to a PCW without undertaking the process that hosted suppliers have to go through. GoCompare worries these suppliers may benefit from an assumption by the consumer that the company has vetted them in a similar way.

GoCompare accepts Ofgem's stated benefits of the removal of the WOM requirement without further comment:

- Removal of the WOM requirement can increase investment from accredited PCWs into their energy offering.
- Removal of the WOM requirement can make switching to cheap deals easier for consumers.
- Removal of the WOM requirement can support competition in the energy retail market.

Having said this, we can't see the benefit of directing consumers to the CACT in its current form. We appreciate Citizens Advice's statutory duty in providing consumers with advice and strongly support its work in helping disengaged and digitally excluded consumers switch their utility bills. That being said, the CACT as it currently stands exhibits many of the failures of the WOM view. The CACT returns a list of

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<sup>1</sup> GoCompare Response to Provisional Findings, Gov.uk, August 2015. [Link](#)

unfulfillable tariffs in a format that looks identical to most PCWs. The CACT requires the consumer to re-input all the information they just entered into the PCW to access a list which, whilst similar to an accredited PCW's existing WOM view, won't contain cheaper tariffs as Citizens Advice is not able to negotiate in the same way that PCWs can. GoCompare notes that taking a consumer from our site to a WOM view, containing non-negotiated, unfulfillable tariffs is likely to lead the consumer to 'drop off' the CACT site, given the lack of interactivity or better deals. We do not believe the CACT contributes to any of Ofgem's three stated benefits, above.

Ofgem reports the CMA's research which shows that 64 per cent of consumers use multiple sites when switching. The 36 per cent who don't use multiple sites will presumably see the CACT's data entry form and ignore the site. Of those 64 per cent that do, to then be asked at the end of the CACT to click through to a final site to repeat the process may present another barrier.

Whilst GoCompare accepts the need to provide statutory-backed advice as a safeguard against the poor practices of some energy suppliers, we believe that this would be more valuable if it was presented in a much simpler format. After a suitable period, Ofgem and Citizens Advice should assess the efficacy of the CACT, and not be afraid to substitute a degree of accuracy to make the tool much more accessible and user friendly. GoCompare believes Ofgem envisages the CACT as a tool to mark mainstream PCWs' homework – as it currently stands, it will appear to consumers as an extra piece of work and could in fact be a barrier to switching.

GoCompare is not currently eligible to apply to be a Confidence Code (CC) accredited site as it provides its energy comparison services through a third-party organisation (which is CC accredited). As such, we cannot comment comprehensively on the audit approach, although the suggestions set out under the minded approach seem sensible.

GoCompare fully supports the removal of the WOM requirement, and believes that this will deliver the benefits identified by Ofgem. We fully support Ofgem's efforts to make switching easier and help PCWs fulfil more successful switches. Further, GoCompare believes there are simple policy ideas which could deliver similar benefits.

GoCompare is aware of the concerns of a number of political stakeholders, worried about the lack of scrutiny of new entrant energy suppliers' financial stability. We have seen a number of small providers fall following demand fluctuations, pushing consumers onto a Supplier of Last Resort. This damages consumer trust in the sector, and in some circumstances could see them out of pocket. It is right to encourage new entrants into the market, and real competition will only ever lead to better outcomes for the consumer. However, this must be done sustainably. GoCompare is currently exploring at a very early stage whether it could provide a rating system on suppliers' reliability. This would allow our customers, at a glance, to have confidence in small suppliers who they may not have heard of before, offering competitive prices. This could be an area for Ofgem to explore further – with access to audit data, a statutory rating system could be devised which takes into account customers sought/serviced, quality of reporting standards and financial best practice. It should also be noted that the suppliers who have failed recently have been those who have not had commercial relationships with PCWs, so any suggestion that PCW fees are prohibitive to the sustainability of new entrants is clearly incorrect.

Whilst the smart meter rollout promises to give consumers easier and more up-to-date access to their data, we are not convinced that the way that consumers (engaged, vulnerable or excluded) interact with the energy market can change unless the siloed approach to data management between suppliers is abolished. We believe that Ofgem should explore developing a secure, central Tariff Data API (application programming interface) which would be made available to all accredited PCWs. Comparison services would be able to provide more precise suggestions for their customers, which should result in a higher rate of successful switches. The DVLA operates such an API, which third-party organisations are allowed access to when they can prove a valid need for access. To create such a system, Ofgem may need to amend energy supply licence conditions to mandate suppliers to collect the data in the correct format, and to be able to prove they have the digital infrastructure to securely hold and update the API instantly.

With instant access to account and billing information through smart meters and mobile apps, consumers expect immediate, up-to-date information so they can make informed decisions. Ofgem should consider

whether the Annualised Quantity and Estimated Annual Consumption measures are still appropriate for the 21<sup>st</sup> century. A lot can change between meter readings and consumers will be impacted if their estimated usage falls out of sync with their actual usage, either positively or negatively. GoCompare believes Ofgem should look into how more up-to-date usage stats can be provided to consumers to aid comparison, either by request or on a more regular period basis. GoCompare hopes that as Smart Meter technology develops and becomes more widespread, this should be addressed on a national level.